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To whom it may concern:

Enclosed you will find two copies of my submission in the matter of Market Entry and Regulation of Foreign-affiliated Entities (FCC 95-53) (IB Docket No. 95-22) that is currently before the before the the FEDERAL COMMUNICATIONS COMMISSION.

Thank you for your consideration.

Sincerely yours,

A handwritten signature in cursive script, reading "Jonathan D. Aronson", is positioned above the typed name.

Professor Jonathan D. Aronson
School of International Relations and
Annenberg School for Communication
University of Southern California

The first is the original. The second is the copy

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Before the
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

FCC 95-53

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| In the Matter of |) | |
| |) | |
| Market Entry and Regulation of |) | IB Docket No. 95-22 |
| Foreign-affiliated Entities |) | RM-8355 |
| |) | RM-8392 |

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NOTICE OF PROPOSED RULEMAKING

Adopted: February 7, 1995 Released: February 17, 1995

Comment Date: April 11, 1995

Submission by

Professor Jonathan D. Aronson
School of International Relations and
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April 11, 1995

The Notice of Proposed Rule Making in the matter of Market Entry and Regulation of Foreign-affiliated Entities (IB Docket No. 95-22) breaks new regulatory ground for the FCC. It also promises to provide a significant new tool for U.S. trade negotiators.

As a professor of international relations and international communications who has written extensively on trade in telecommunications services and on U.S. negotiating strategy related to trade in services and trade in telecommunications services, I would like to briefly emphasize seven points.

1. The United States strives to have clear guidelines governing entry of foreign-affiliated entities into the U.S. market, but in fact the current guidelines are open to wide interpretation. They are unclear and at best ambiguous. The proposed rulemaking will not end discussion, but it would be a bold a step towards clarification. If problems arise after new rules are adopted, future of amendment of the rules is always possible.

2. Effective competition, particularly facilities-based competition may prove a partial substitute for regulation. To the extent that there exists effective competition in the provision of domestic and international communications in other countries, there will be less call for the U.S. government to safeguard U.S. international communications providers from anticompetitive conduct by foreign governments or their telecommunications operators. Thus, if in the short- and medium-term the United States is successful in encouraging foreign governments to open their communications markets to effective competition, in the longer-term the United States will be able to intervene less to ensure effective competition and allow market competition to provide that outcome.

3. In general, achieving facilities-based international competition should be the first priority. Other kinds of market liberalization and services competition may justify favorable treatment, but the FCC and the rest of the U.S. government is correct in listing facilities liberalization as a primary and appropriate goal.

4. This FCC rulemaking initiative, if eventually adopted, is consistent with broader U.S. Government policy. The idea of linking foreign access to the burgeoning U.S. telecommunications market and effective equivalent access for U.S. service and equipment providers was clearly articulated by Vice President Gore in his speech to the G7 Ministerial meeting in Brussels in late February.

5. If adopted, this FCC Rulemaking exercise should be consistent with ongoing multilateral talks related to liberalization of the international communications market and trade in telecommunications services and equipment. This effort should not impede USTR and the executive branch efforts to achieve multilateral breakthroughs. But, if multilateral talks fail, U.S. negotiators will have a workable fall back position.

6. Moreover, by establishing clearer, more consistent, more results-oriented guidelines for determining equivalent competitive opportunities, the proposed rules could provide important bargaining chips to U.S. trade negotiators as they work to encourage foreign governments to open their communications markets.

7. It is uncertain how much benefit will come from insisting on mutual broadcasting liberalization. But neither is it clear how much this will matter in the future so long as the world is adequately served by competing cable providers.

In short, the FCC's primary goal: to promote effective competition in the global market for communications services is reasonable. The tools it suggests for achieving this goal are plausible. The Executive branch should still have no major difficulty retaining its initiative and discretion in the realm of international communications.